



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 9, 2000

William R. Wilson
Basin Perlite Company
1776 Lincoln Street, Suite 900
Denver, Colorado 80203

Re: Acceptance of Transfer of Notice of Intention and Replacement Surety and Reclamation Contract, Pearl Queen Perlite Mine, M/001/027, Beaver County, Utah

Dear Mr. Wilson:

On February 28, 2000, we received your Transfer of Notice of Intention of Large Mining Operations to formally transfer the Pearl Queen Perlite Mine located in the SE1/4 of Section 2, T27S, R9W, Beaver County, Utah from Pearl Queen Perlite Corporation to Basin Perlite Company. Along with the transfer form was a replacement Reclamation Contract and replacement reclamation surety in the form of a surety bond #113002517 for \$40,800 issued by Amwest Surety Insurance Company.

The Division Director accepted the replacement reclamation surety and signed and executed the transfer document on March 9, 2000, *which effectively transfers the responsibility of this mining operation and reclamation from Pearl Queen Perlite Corporation to Basin Perlite Company.* A copy of the executed transfer form is enclosed for your files. The Division now recognizes Basin Perlite Company as the operator of record responsible for all mining and reclamation obligations at the Pearl Queen Perlite Mine. Please note that you may need to effect a similar transfer with the School and Institutional Trust Lands Administration for the mineral lease.

Please be advised that the Pearl Queen Perlite Mine received conditional approval on August 5, 1997. The three conditions in the Division approval letter (copy enclosed) will still apply to your operations.

We have also enclosed copies of the executed Reclamation Contract and the surety bond for your files. Thank you for your help in finalizing this transaction. If you have any questions or concerns regarding this letter, please contact me at (801) 538-5267, or Tom Munson at 538-5321. Best of luck with your new mining venture.

Sincerely,

Anthony A. Gallegos
Senior Reclamation Specialist

jb

Enclosure: Executed Transfer form, Reclamation
Contract & surety, 8/5/97 letter

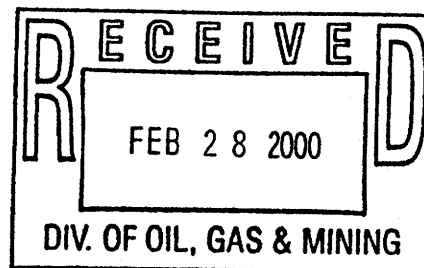
cc: O. Jay Gatten, Pearl Queen Perlite Corp.
John Blake, SITLA (ML 3092)

M01-27-trs

0005

File No.: M/001/027
Effective Date: March 9, 2000
DOGM Lead: tm

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
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TRANSFER OF NOTICE OF INTENTION
LARGE MINING OPERATIONS

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1. (a) Notice of Intention to be transferred (file number): M/001/027
(b) Name of mining operation: Pearl Queen Perlite
(c) Location of mining operation (county): Beaver
(d) Name, telephone number and mailing address of the operator currently holding the notice of intention (transferor):
Pearl Queen Perlite Corporation
Box 490 533 Industrial Loop Road
Milford, UT 84751 435/387-2100
2. (a) Name, telephone number and mailing address of the operator acquiring the notice of intention (transferee):
Basin Perlite Company
2150 Republic Plaza 370 Seventeenth St
Denver, CO 80202 303/607-9890 FAX 303/607-0150
(b) Name, telephone number and address of the authorized representatives of the Transferee to whom any notices under the provisions of the Utah Mined Land Reclamation Act may be sent:
Mr. William R. Wilson
Basin Perlite Company
2150 REpublic Plaza 370 Seventeenth St
Denver, CO 80202 303/607-9890 FAX 303/607-0150
3. (a) The total disturbed area identified in the approved notice of intention: 10 acres
(b) The actual number of acres disturbed by the operation through date of transfer: 10

- (c) Attach a legal description of above acreages as Appendix "A" and a map of suitable scale with actual disturbed areas clearly shown and identified.
4. This application must be accompanied by a fully executed and signed Reclamation Contract (Form MR-RC)